

One To One Million

A REPORT from the National Negro Bankers Association reveals that there are now only 11 active banks operated by members of the race. Three of these are in Virginia; The Consolidated Trust in Richmond, Crown Savings in Newport News and Savings Bank and Trust Company in Danville. This is cause for general pride among Virginians.

As our people look around for economic opportunities we commend them to the report showing that there is only one Negro-operated bank to each one million colored people in the United States.

Of course, it is much more difficult now than in previous years to organize, capitalize and operate a bank, but in some of the larger urban centers, at least, we should be able to meet the test.

According to the United States Department of Commerce the present annual purchases of Negroes in the United States is two billion dollars. In other words they spend that amount for the necessities of life.

That sum lacks only a few million dollars of equaling the gross amount of all United States exports. It is several million dollars more than German imports; it exceeds by nearly a half billion dollars all French imports; it is a billion dollars more than all United States exports to Central and South America and to the West Indies; finally it exceeds by a billion and a half all Japanese imports.

Our difficulty is that our purchasing power is in no sense organized or directed. That is a job for some of the young men who are today being graduated from American Universities with high scholastic degrees in economics. If we have an economic brain trust, here is an excellent opportunity for that group to demonstrate its value.

The average person should think upon it, especially in terms of what organization and direction of our purchasing power would mean in employment to members of the race.

The capital of the 11 banks reported by the Association is a little more than one million dollars, which is not a very creditable showing for the race. It is creditable to the banks, because they have husbanded these assets, conserved and consolidated them through the worst depression in American history.

We should salute our 11 banks and wish them constant growth and greater usefulness.

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WE HAVE NOT seen a recent financial statement of our Richmond and Danville banks, but we carried last week in the JOURNAL AND GUIDE the June 30th statement of the Crown Savings Bank, of Newport News.

Judged by the usual standards this bank is in sound, solvent condition, and as a "going concern" is not only a credit to its city and adjacent territory but is a real credit to the officers and directors of

the institution, who have been most vigilant and intelligent in its management.

The Crown Savings Bank, in a city with a colored population of only 13,000 has a capital of \$50,000, surplus of \$10,000, undivided profits and reserves of \$10,543.52, and deposits of \$314,584.38. We would consider that an extraordinarily good showing, and would point out that other cities have an opportunity to do what is being done in Newport News.

We must not relax our efforts to carry on because we have been through "the valley and the shadow" of a devastating depression. Having gone through the fire we should be better prepared than ever to meet and solve the business and economic problems that stand in our pathway.

We'll Get the Banks

The masses of the colored community do not need banks, credit unions, building and loan associations and industrial loan societies, according to Dr. Abram Harris, of Washington, in a new book just issued.

Dr. Harris analyzes bank failures of the past fifty years and concludes that these have been due to overinvestment in real estate, speculation of bankers, absence of a large number of small colored business concerns and, in one or two cases, to dishonesty and graft.

Only two types of banks have been able to succeed. One of these, like the Citizens' and Southern Bank in Philadelphia, exists because of conservative and economic control. The other, like the Dunbar National Bank in New York, has white ownership.

Far from proving that colored people do not need banks, the Harris treatise seems to us to indicate that we will have more of them as soon as we have learned the lesson of conservative management whether that schooling comes by experience or in banks managed and owned by whites.

What is most significant to us is that Dr. Harris's book itself, which is a careful study of banking and business, will therefore be of tremendous help to his college students and to business men in their study of how to avoid the pitfalls of the past.

Now comes *The University of Virginia News* Letter with a careful analysis of the bank deposits in the United States, which shows the South up to a disadvantage. Taking all things in consideration the showing for the South is good, but in a relative sense it is not particularly complimentary to the southern states.

In this carefully detailed analysis we read something that is very familiar, and the truth of which we do not deny, to wit: 11-7-26

"The South, with its high percentage of Negro population, has long ranked at the bottom in this respect. (In per capita savings—Editor) Negroes, as a rule, are little inclined to place a part of their earnings in savings, deposits and, accordingly, they seldom have a reserve upon which they may depend in case of an emergency.....The same is true of a great number of white tenant farmers whose

economic position virtually precludes any opportunity to save . . . Thus the low rank of the South may be attributed to the nature of the population rather than to any fundamental lack of resources."

We read between the lines the implied wish that the South would do something about changing the economic status of the section of the population that is a liability rather than an asset. This much we attribute to the researchers at the University of Virginia.

But is the broad statement of *The University of Virginia News Letter* true, when it speaks of Negroes as a class or race? It is true of some Negroes, and possibly, a majority, but, is it fair for a publication so widely read and speaking with so much authority to broadcast a statement that is a libel upon a large section of the Negro population of the South?

After reading its analysis of bank deposits, and its consignment of Negroes as a race to thriftlessness, we started out to make some inquiries of our own. So we selected three banks in Virginia cities, one in North Carolina and one in Pennsylvania, all owned and operated by Negroes, and all having deposits owned 98 per cent by Negroes, from which to gather information as to what extent colored people saved a part of their earnings.

The three Virginia banks are located in Richmond, Newport News and Danville respectively and had total deposits of \$1,210,000. The number of accounts designated as savings deposits aggregated 70 per cent of the total. Altogether there were 9,341 savings accounts. Seventy per cent of the savings deposits belonged to wage earners, the banks reported. The North Carolina bank, with total deposits of \$1,200,000 had 1,800 savings accounts, 75 per cent of which belonged to wage earners.

The Pennsylvania bank (included for purposes of contrasting Northern and Southern Negro) had total deposits of \$594,000 and 5,005 savings accounts.

Add to the above the savings deposits of colored people in white banks in all the cities named, and in every place where there is a bank or post office and we believe that it would be found that the habit of saving is not lacking. The thing that is lacking is the wherewithal to save, and this is accounted for in the lack of industrial opportunity afforded Negroes in the South, as well as in the North, and lack of employment in the higher-salaried brackets, such as the building trades and other skilled occupations paying better wage scales.

For example, Durham, North Carolina is an industrial town with a Negro population of 18,000. Nearly every employable Negro in Durham has a regular job, and the distribution is over a wide range of occupations, skilled and semi-skilled, as well as continuous employment in unskilled vocations. The Durham bank reported that the average savings deposit balance is \$450. In Philadelphia the average

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economic position virtually precludes any opportunity to save. . . . Thus the low rank of the South may be attributed to the nature of the population rather than to any fundamental lack of resources."

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The South has an unexplored source of wealth. The South should know by this time the results of an exploited reservoir of labor, them welcome Negro accounts, or treat them hostilely. Wherever there is a Negro bank or a friendly white bank the rank and file of colored people do not undertake to save and provide a reserve for emergencies, although confined to four cities, reveal that in savings deposits."

OUR findings based upon actual facts would tend to show that generalizations, such as those used by *The University of Virginia News Letter* do both the South and the Negro an injustice; and these findings, although confined to four cities, reveal that in

Negro Banks Fill Real Economic Need

All Race Banks But One Have Their Deposits Insured

Atlanta, Dec. 18. Banks operated by Negroes in the United States have not been developed purely as a matter of race pride, but fill a real economic and social need more probably than can the white banking institutions in many instances. Jesse B. Blayton, professor of business administration in Atlanta University, and executive vice president of Atlanta's citizen Trust Company, declared in a comprehensive article on "The Negro in Banking" in the current issue of the Bankers Magazine. The article is one of a half dozen leading features of the December issue of this nationally circulated financial journal.

"In a community where a bank is operated by colored people, particularly in the South, other banks seem to treat their colored customers more courteously and with greater respect," Mr. Blayton writes. "Also in these communities loan sharks seem likely to prey, especially upon the colored worker. Banks operated by Negroes usually are careful to adhere strictly to legal interest rates. This attitude makes it difficult for loan sharks to attract patronage of the better class of Negro borrowers."

Negro bankers, Mr. Blayton holds, are frequently in a better position to advise colored home owners and business men than are the white bankers and he ventures the opinion that "the common suffering

which has been shown by the Negro banker and his client breeds a more sympathetic understanding between them."

Fourteen Banks are members of the National Negro Bankers Association; the article states. These banks are widely over the country—being in Virginia, South Carolina, Texas, North Carolina, Pennsylvania, Georgia, District of Columbia, Tennessee, Oklahoma and Alabama. The largest Negro bank

according to Mr. Blayton, who is corresponding secretary of the colored bankers association, is the Farmers and Mechanics Bank and Trust Company, of Durham, North Carolina, which has sources of more than a million and a half dollars.

All but one member of the Negro bankers association have deposits insured by the Federal Deposit Insurance Corporation, and this member has not sought and does not need the federal protection, Mr. Blayton says.

The Negro banks' earning assets in proportion to deposits compare favorably with those of commercial banking institutions in their localities, he writes, in spite of the fact that the average deposits in Negro banks are lower, and the cost of supervision relatively higher. To prove this point he publishes a table which shows that where the cash assets of the smaller of the commercial banks in New York, Chicago, Philadelphia and Boston constitute 23.34 per cent, the cash of the Negro banks is 24.36. These selected white banks have 16.36 per cent invested in government securities against the Negro banks' 10.71 per cent.

Banks - 1936

Kentucky

**Depositors Get Checks
from Louisville Bank**

LOUISVILLE, Ky. — Depositors of the defunct Mutual Standard Savings Bank were recipients of a check for 2 per cent of the money owed them.

This payment brings the total received by them to about 5 per cent of their deposits.

Banks-1936.

Massachusetts.

BANK HOLDS ANNUAL MEET

South End Cooperative Elects
7-19-36
Officers

The annual meeting of the shareholders of the South End Cooperative Bank was held at the Bank building, 806 Tremont Street, on Thursday of last week.

The annual report revealed that the bank was in a very stable condition and had been approved by the Bank Commissioner on his annual inspection. The report also stated that many loans had been made on real estate in the form of mortgages, thereby enabling many home owners to save their homes from foreclosure; loans have also been made to shareholders who were in need of ready cash to tide them over difficulties. An increase in the number of shareholders was also reported.

\$250,000 in Loans

"A quarter of a million dollars in loans had been made by the bank to the people of the community during its fifteen years of existence," stated the president, Atty. Edgar P. Benjamin, and he went on to urge all present to endeavor to secure as many new shareholders as possible, so that the bank would be in a position to serve the needs of a larger number of home owners in the district. He cordially invited the public to visit the bank for information and to buy shares.

The following are the officers and directors for the ensuing year: Pres., Edgar P. Benjamin; Vice pres., Dr. John B. Hall; Treas., Jesse Goode; Asst. Treas. and clerk, C. Hilton Greene; Directors, W. J. Fubler, Dr. T. E. A. McCurdy, W. A. Hemenway, Dr. C. N. Garland, Mrs. Esterene Roundtree, W. H. Brown, C. S. Winter, Miss Mildred Benjamin, Everett C. Yates, A. W. Lavalley, Atty. J. S. R. Bourne and L. George Murray.

Negro Bankers To Hold Session

Officers of Citizens Savings Bank Here Urged to Take Part in Meeting Set for June 22

Members of the National Negro Bankers Association will hold their 1936 session in Philadelphia, Pa. This announcement came to Nashville last week from Major R. R. Wright, Jr., who is the president of the organization and president of the Citizens and Southern Bank & Trust Company. He sent a special letter to Henry Allen Boyd, president of the Citizens Savings Bank and Trust Company, and to J. C. Napier, cashier of the same institution, inviting the bank and urging the board of directors to send Mr. Napier to this meeting.

It was not known whether the bank in Nashville would do so, because the president was out of the city and the cashier preferred not to make a statement. Major Wright however, insisted upon Mr. Napier's presence, not only because he heads up as cashier the oldest Negro bank in the United States, but is regarded throughout the nation as the dear of bankers, because of the thirty-three years of banking success of the organization, and that he might give to the Association in session at Philadelphia the benefit of his experience as registrar of the treasury of the United States, a position which he held for one term under President Taft.

Mr. C. C. Spaulding, the president of the Farmers and Merchants Bank of Durham, N. C., is chairman of the executive committee of Negro Bankers. He joined in with Major Wright in issuing the call. Henry Allen Boyd of this city is the vice president of the Bankers Association, but it was learned in his office that he could not attend, due to the fact that at that particular time he would be on the high seas, beginning his World Sunday School Convention tour, to which he was elected by his Convention to make, and at which time he will attend the World's Sunday School Association in Oslo, Norway.

Banks - 1936

National Bankers Association.

National Bankers Hold Sessions in Philly Concern

PHILADELPHIA — Climaxing with a mass meeting at Paul Laurence Dunbar School, Monday night the National Bankers Association held an all-day session at the Citizens and Southern Bank, Nineteenth and South Streets.

Addresses were given in relation to investments, idle funds and the value of banks in a thrift movement among colored people by R. L. McDougald, M. C. Martin and Major R. R. Wright.

The following banks were represented:

Citizens Trust Company, Atlanta, Ga.; Danville Savings Bank and Trust Company, Danville, Va.; Victory Savings Bank, Columbia, S.C.; Industrial Bank of Washington, Washington, D.C.;

Consolidated Bank and Trust Company, Richmond, Va.; Farmers and Merchants Bank, Boley, Okla.; Crown Savings Bank, New Port News, Va.; Charleston Mutual Savings Bank, Charleston, Va.; Mechanics and Savings Bank, Durham, N.C.; Citizens Savings Bank and Trust Company, Nashville, Tenn.; Citizens and Southern Bank and Trust Company, Philadelphia, Pa.

BIG BANKS BETRAY NEGRO DEPOSITORS

Refuse To Allow Them Decent Homes In Which To Live

By ALFRED A. DUCKETT

(This is the second of a series of articles, based upon an investigation, now being conducted, of the discriminatory methods being employed by powerful realtors and bankers, who refuse to give Negroes consideration in regard to letting and renting property in respectable neighborhoods.)

Last week's article concerning the Un-Square Deal being given Negroes of the Stuyvesant area has elicited a great deal of favorable comment. We hope that this movement for better housing and a fairer, squarer deal will bring forth more than a appraisal. WHAT WE WANT, AND WHAT WE'VE GOT TO HAVE IS ACTION.

We wonder just how many people in this area, who have been steady and constant depositors in several of the banks in the districts, realize that their own banks the institutions whose coffers they replenish with hard-earned dollars, representing their life-earnings, are to a great extent largely responsible for these methods of discrimination. We wonder if they realize that they are investing money in the same banks which control the real estate of the section, to the same banks who decree that persons of color shall not inhabit this or that neighborhood, to the same institutions that remove decent, respectable Negro families from homes to rent them to whites. We wonder if they realize that it is the money of the Negro residents of the district which is paying for the renovation of homes formerly Negro-occupied for the habitation of whites.

This thing has got to stop. And we repeat, there is one single solitary way in which it may be curbed. That is through united action on the part of the Negro realtors.

We had conversation with people who heartily agreed with us on our stand that the realtors were not showing a proper spirit of cooperation in this matter. We

told them frankly that all the blame cannot be fairly placed on the shoulders of the Negro broker. Perhaps one of the reasons that the Negro broker is afraid to come out into the open is the lack of race consciousness, unity and fighting spirit on the part of the Negro residents themselves. It is for the residents that this fight must be waged. It is in their interests that a showdown must be called for. And if they, of all people are not interested, we might as well fold up. IS THERE ANYONE WITH "SOUL SO DEAD" AS NOT TO BE INTERESTED.

ANOTHER THING. This auction-bidding on property must cease. There is a practice adopted by some brokers and many home and apartment seeking individuals to attempt to get property by offering sums much higher than the property is worth. Individuals who are doing this are making a foolish step, making the work of the broker harder, and just succeeding in accomplishing something which will militate against their own interests. BROKERS. WHO DO THIS ARE JEALOUSLY BIDDING AGAINST EACH OTHER IN A SPIRIT OF FRENZY, BUT THEY FAIL TO REALIZE THAT THE RIGHTS OF THEIR PEOPLE ARE BEING SACRIFICED AT THE AUCTION BLOCK.

WAKE UP. Let us see how many of you are interested enough to sit down and write a letter to this department, telling us exactly where they stand.

Raleigh, N. C. Observer
January 12, 1936

PROFITABLE YEAR FOR NEGRO BANK

Mechanics and Farmers Bank of Durham and Raleigh De- clares 2 Per Cent Dividend

Durham, Jan. 11.—The directors of the Mechanics and Farmers Bank in Durham have declared a dividend of 2 per cent to its stockholders. This is an all-time record for Negro banks. The bank, with banking houses in Durham and Raleigh, has shown an unprecedented increase in business for the past two years. In 1933, the resources of the bank were \$600,000.00 and the statement for 1935 shows resources of over a million dollars. The directors also made known that additional funds had been transferred to the reserve. This bank has real estate holdings of less than \$15,000.00 and borrowed money is listed as "none."

The Mechanics and Farmers Bank is the strongest institution of its kind among Negroes and one of the better banking institutions in the State. C. C. Spaulding of Durham is President.

Nathaniel N. Jefferson graduate of Hampton Institute was made teller of the Raleigh branch, having been transferred from the Durham office, after a year's preparation for the duties that go with the tellers' place. S. O. Noel is the Assistant Cashier of the Raleigh bank, who will also be in charge of the note department. This bank is the only one in Raleigh that conducts a Christmas savings club, and numbers among its depositors for the club, as well as the savings and checking accounts, many white customers both in Durham and Raleigh.

The Mechanics and Farmers Bank was one of the first banks in the State to be relicensed after the banking holiday. It is a member of the Federal Deposit Insurance Corporation, which insures each account up to \$5,000.00.

RACE BANK PRAISED BY MAGAZINE

DURHAM, N. C., April 9.—The "Tarheel Banker," official publication of the North Carolina Bankers' Association, praises the Mechanics & Farmers Bank of this city in its April number, in an article headed "Overheard in the State Banking Department," by Nella G. Johnson.

Miss Johnson writes: "North Carolina has the largest Negro banking institution in the world—the Mechanics and Farmers bank, of Durham, with resources in excess of a million dollars. The principal officers of that institution, also head of the largest Negro insurance corporation in the world."

"In March, 1933, when virtually all of the banks in our State were wringing and twisting in order to re-open after the holidays, President C. C. Spaulding and others of that institution were in the office of Commissioner Hood in the wee hours of the morning. Mr. Hood was signing their license, authorizing the bank to re-open. 'Go and re-open your banks in Raleigh and Durham,' Mr. Hood said, 'but remember your promises; if you fail, I will be on the same boat with all of you, bound for Liberia.'"

"They did not fail, but a short while later, were among the first of the State banks in buying the North Carolina notes held by New York bankers."

Winston-Salem, N. C., Sentinel
April 20, 1936

Consent Judgment in Settlement Of Affairs of Defunct Negro Bank

Successful Banking

A consent judgment has been entered before Judge Frank S. Hill, in Forsyth superior court, whereby all of the unliquidated assets of Forsyth Savings and Trust Company were vested in the Wachovia Bank and Trust Company and by which certain of the directors of the former concern acknowledged themselves indebted to Wachovia Bank and Trust Company in the amount of the sums agreed upon, but varying in each instance.

The judgment provides for a final settlement of the matter, which has been pending over a period of six years.

In March, 1930, Forsyth Savings and Trust Company, a colored bank, was in financial difficulties. It approached the Wachovia Bank and Trust Company with the proposal that Wachovia take over all of the assets and assume all of its liabilities. This was done by an agreement of date March 20, 1930. The directors of Forsyth Savings and Trust Company, together with other interested parties, entered into an agreement to guarantee the Wachovia Bank and Trust Company against any loss by reason of taking over the liabilities of Forsyth Savings and Trust Company. To secure this agreement the directors individually executed deeds of trust covering certain real and personal property. The Wachovia Bank and Trust Company has been engaged since March, 1930, in collecting the obligations owed to the old Forsyth Savings and Trust Company, and has assumed all of the deposit liabilities of the Forsyth Savings and Trust Company, and all of its other debts.

The present suit was instituted by the Wachovia Bank against the Forsyth Savings and Trust Company and its directors for the purpose of recovering the sum of approximately \$120,000, representing the difference between the amount of assets of the Forsyth Savings and Trust Company taken over by the Wachovia Bank and Trust Company and the liabilities of the Forsyth Savings and Trust Company, which the Wachovia Bank assumed, and for the further purpose of foreclosing the deeds of trust given by the directors of Forsyth Savings and Trust Company as security for their indemnity agreement.

The Wachovia Bank and Trust Company took over the liabilities of Forsyth Savings and Trust Company at the request not only of its directors and officers, but at the request of the State Banking Department. Since the Wachovia Bank took over the assets of the former company, the unit has been a branch of the Wachovia.

A NEWS ITEM in the *Durham (N. C.) Morning Herald* states that the Mechanics and Farmers Bank was the low bidder among five banks for \$25,000 worth of municipal bond notes. The item in itself would be unimportant, except to call attention to the continuing success of Durham's colored bank. The other four bidders were strong financial institutions, all white, of course. That a bank officered and managed by colored men is able to compete in the municipal bond market with the best banks in the city and state is an evidence of high solvency and sound management. Before the question is raised, we answer, "O yes, the securities involved are A-1."

The Mechanics and Farmers, Durham, with branch in Raleigh, is now the largest bank owned and operated by members of our race. The bank has deposits of \$1,257,375, and total assets of \$1,575,242.

What is unusual is that it has cash and what is considered immediately liquidable securities of more than a million dollars, which in ratio to deposits and capital affords the bank an exceedingly sound financial position.

Depositors In Defunct Bank To Get Funds

Account Holders Told
Not To Sell Interest
At Discount

Journal and Guide Bureau
RICHMOND, Va. — Depositors of the old defunct American Bank and Trust Company had their hopes for compensation renewed here Friday, May 29, when they were advised by the receivers not to dispose of their accounts because the receivers anticipated the payment of a substantial dividend shortly.

This statement was made by a receiver at the bank when it was learned that persons were trying to buy accounts of the closed bank from Negroes for a figure as low as five per cent on the amount deposited. One Negro, who had a deposit of \$900 in the bank, was said to have been offered five per cent in cash for the entire account.

The American Bank and Trust Company closed during the bank holiday in 1933 and has never opened again. Many Richmond Negroes had put their life savings into the bank and its failure dealt a severe blow to a large group of citizens.

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the old defunct American Bank and Trust Company had their hopes for compensation renewed here Friday, May 29, when they were advised by the receivers not to dispose of their accounts because the receivers anticipated the payment of a substantial dividend shortly.

This statement was made by a receiver at the bank when it was learned that persons were trying to buy accounts of the closed bank from Negroes for a figure as low as five per cent on the amount deposited. One Negro, who had a deposit of \$900 in the bank, was said to have been offered five per cent in cash for the entire account.

The American Bank and Trust Company closed during the bank holiday in 1933 and has never opened again. Many Richmond Negroes had put their life savings into the bank and its failure dealt a severe blow to a large group of citizens.

NEGRO BANK ASSETS RISING FOR 3 YEARS

Major Wright Reports That
Prospects Are Bright

PHILADELPHIA, July 30.—Major R. R. Wright, Sr., president of the Citizens and Southern Bank and Trust Company and head of the National Negro Bankers Association, said today that the eleven member banks have increased their assets anywhere from \$100,000 to \$400,000 in the past three years.

Major Wright has just completed a visit to banks at Washington, Richmond and Newport News, and pictures the prospects for the future as especially encouraging. He said the association is encouraging re-opening of banks which remained closed after the national bank holiday.